

Michigan's Campaign to End Homelessness Housing Initiatives

CHRONICALLY HOMELESS INITIATIVE

Addendum A

2008-2009

REQUEST FOR PROPOSALS

Background:

In the past year there were approximately 6,286 men and women across the state of Michigan identified as chronically homeless. This population, which comprises less than 10 percent of Michigan's homeless, utilizes 75% of the resources. All of those who are considered chronically homeless have some form of disability, often exacerbated by substance abuse. The focus of this initiative is to create systemic changes at the local level that will result in housing, services, and needed income supports. Targeted to the poorest members of society and ultimately bring about the elimination of chronic homelessness in Michigan. As outlined below, this initiative requires local collaboration to develop well-planned supportive housing for this population. Since 2005 MSHDA has allocated over \$12 million (\$12,000,000) to create over 500 supportive housing units for persons who are considered chronically homeless.

For the 2008-09 funding year, MSHDA has committed \$3 million dollars (\$3,000,000) that can be used to create permanent supportive housing for persons who are chronically homeless. Funds may be used for the acquisition, rehabilitation or new construction of supportive housing. Grantees with no prior experience in housing development are encouraged to partner with local community development corporations, nonprofit supportive housing developers or affordable housing developers.

Program Overview:

The Michigan State Housing Development Authority (MSHDA) has allocated three million dollars for the Chronically Homeless Initiative, targeted to the development of permanent supportive housing for individuals who are chronically homeless. For this initiative, MSHDA has partnered with the state Department of Human Services (DHS), Department of Community Health (DCH) and the Corporation for Supportive Housing (CSH). It is our intent to expand the efforts of this initiative to every region of the state. It is our intent to assure that urban as well as rural projects are considered, with a minimum of one rural chronic homeless project funded through this offering.

Expected Outcomes:

- Align with and support local 10-Year Plans to End Homelessness;
- Decrease the time required to assist chronically homeless individuals to secure mainstream services, entitlement benefits, and opportunities for increased income;
- Increase the numbers of chronically homeless individuals who exit the shelter system with positive housing outcomes;
- Decrease measurable net costs of homelessness for public systems (over time);
- Create local models of supportive housing for chronically homeless individuals;
- Develop and implement strategies that rapidly move chronically homeless individuals from shelters and streets into permanent housing;

- Enhance collaboration between local units of government, Continuum of Care (CoC) bodies, Community Collaborative service providers, local businesses, and local philanthropic entities;
- Create and support local Interagency Service Teams;
- Establish the leadership role of the local shelter providers to insure the project's effectiveness with the target population;
- Create linkages between local, state and federal funding streams to insure both on-going and increased resources for permanent supportive housing projects for chronically homeless individuals;
- Build capacity and develop technical skills among key stakeholders to create and/or replicate supportive housing models for future projects.

Use of Funds:

For this initiative MSHDA will commit **up to \$500,000** to each selected project.

These funds may be used for:

- New construction, acquisition, or acquisition-rehab of Supportive Housing Rental Projects. (Funds may be used to subsidize units in larger projects including developments planning to apply for Low Income Housing Tax Credits.)
 - Funding will be structured as a zero percent, non-amortizing repayable loan, due in full upon sale, or on or before 40 years of the date of disbursement, with 25 percent of the loan forgiven for every 10 years of successful operation.
 - Fifteen percent of the funds can be used as a developer fee.

Match Dollars/Leveraged Resources:

Communities are required to provide a 25 percent local match or leverage of funding. To be eligible as match/leverage, funding must be newly allocated or existing funding that is redirected to target the individuals in this initiative. The following resources may be used to provide the matching funds:

- Local, State or Federal Funding opportunities including, but not limited to:
 - Community Development Block Grant (CDBG); Home Investment Partnership Program (HOME); Low Income Housing Tax Credits (LIHTC); Payment in lieu of taxes (PILOT); Shelter Plus Care (S+C); Supportive Housing Program (SHP); DHS State Emergency Relief/Emergency Service Grants; local Public Housing Authority (PHA) Project Based Vouchers; operating grants and/or service funding
- Philanthropic sources/cash
- Donated land/property
- Other community resources
- Service funding commitment

Definitions:

The intent of this initiative is to target chronically homeless individuals with incomes at or below 30 percent Area Median Income (AMI) or 100 percent of the poverty level and facing long-term barriers to gaining economic resources for stable, safe and quality permanent housing.

Chronically Homeless (Population consistent with HUD's definition of chronically homeless) – A chronically homeless person is an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more or has had at least four episodes of homelessness in the past three years. To be considered chronically homeless, persons must have been sleeping in a place not meant for human habitation or in an emergency shelter during that time. (Time spent while incarcerated does not count as homelessness.)

Interagency Service Team (IST) - A team of representatives from human service agencies that serve the low-income population in their community. This team should consist of representatives from the key stakeholders within the community including:

- Department of Human Services
- Community Mental Health Provider
- Michigan Works! Agency
- Emergency and/or Domestic Violence Shelter Provider

Communities that have special programs that serve homeless populations should also be included as part of the IST, as possible:

- Hospital Administrators
- Local Police or Sheriff's Department
- Housing Resource Specialists
- Veterans Affairs
- Homeless Youth Programs
- Michigan Prisoner Re-Entry Initiative
- School District Homeless Liaison/School representative
- Community Action Agencies
- Substance Abuse Agencies

It is recommended that a single IST be created that encompasses all initiatives. If your community already has an existing IST, membership should be broadened to include the representation necessary for all of the initiatives. The IST should minimally meet quarterly.

Project Lead Agency - This agency assumes the responsibility of project management and coordination, and is the fiduciary for the funding.

Housing First - Methodology premised on the belief that vulnerable and at-risk homeless individuals are more responsive to interventions and social services support after they are in their own housing, rather than while living in temporary/transitional facilities or housing programs. Rapid re-housing facilitates the move into permanent housing for homeless individuals and seeks to engage them in a voluntary progressive set of individual case management activities and a person centered planning process that moves them toward improved social and economic well being.

Memorandum of Understanding (MOU) - A MOU must be created between identified supportive service agencies and other key stakeholders that clearly define the relationship between all parties.

Michigan Statewide Homeless Management Information System (MSHMIS) – This system details the homeless demographics in Michigan including the problems they face, the resources used, and where current services are falling short.

Quarterly Initiative Status Reports - Reports identifying the current completion stage of the project, including information regarding problems incurred in the delivery of benefits. This information will be shared with the State Executive Management Team at their quarterly meetings.

Eligible Communities and Project Lead Agency:

Eligible Communities must meet all of the following criteria:

- Projects must align with, and support the communities 10-Year Plan to End Homelessness. (Details must be provided on how this initiative furthers the recommendations in your community's 10-Year Plan to End Homelessness.)
- The application package must be approved and signed by the four local key stakeholders, including the Continuum of Care Chairperson, Community Collaborative Chairperson, Community Mental Health Director, and local Department of Human Services Director.
- The community must have identified ONE Interagency Service Team (IST), which meets at least quarterly during the year.
- The community must have a Housing First strategy.
- The community must agree to disseminate best practices and lessons learned within their region and the state.
- The project must receive Regional Council endorsement.

Eligible Project Lead Agencies must:

- Be approved by the key stakeholders.
- Provide comprehensive services to chronically homeless individuals.
- Operate its principal place of business in the state of Michigan.
- Exhibit the capacity to partner with others and administer the program.
- Provide documentation of the eligible 25 percent matching funds.
- Enter client specific data into *Michigan Statewide Homeless Management Information System (MSHMIS)*.
- Submit a Memorandum of Understanding, Budget, and Development Timeline.

Threshold Requirements and Scoring Criteria:

Application packets must be submitted per instructions. Incomplete packets will not be reviewed.

Criteria for basic eligibility will include:

- Project Feasibility;
- Target population identified is either at or below 100% of poverty or 30 percent AMI; and
- Potential match is identified.

Scoring criteria points will be awarded based on the following:

- Targeting the most in need;

- Capacity of the Project Lead Agency and partners to provide housing and necessary supportive services;
- Input from consumers;
- Quality of the service commitment and plan with realistic service outcomes (including funding and partnerships for linking services);
- Regional distribution;
- Innovative and replicable project with a strong dissemination plan; and
- Evidence of case management coordination.

Technical Assistance:

Further questions can be addressed during scheduled Question and Answer Conference Calls

November 5, 2007 Question and Answer Conference Calls
 ➤ 10:00 a.m.
 Phone #: 866-840-0048
 Participant Code: 487041#

November 20, 2007 Question and Answer Conference Calls
 ➤ 10:00 a.m.
 Phone #: 866-840-0048
 Participant Code: 487041#

December 6, 2007 Question and Answer Conference Calls
 ➤ 10:00 a.m.
 Phone #: 866-840-0048
 Participant Code: 487041#

Development Assistance:

November 13, 2007 **Workshop – Small Scale Supportive Housing Development Process**
 ❖ 1:00 p.m. – 3:00 p.m.

MSHDA Lansing Office – Room 235
 735 E. Michigan Ave.

OR

Attend the workshop via a live web-cast.

Please register at www.mittac.org to attend the workshop at the MSHDA office, or via the web-cast. Click on “Training Registration” and then find the training workshop named: **MSHDA-SHHI**. Then click on the link for **MSHDA Room 235** to attend in person, or **web-cast** to join via a website.

Questions may be sent to MSHDASupportiveHousing@michigan.gov. Responses to questions will be made available to the individual posing the question and a “Frequently Asked Questions” document and can be found on MSHDA’s website at www.michigan.gov/mshda or the Campaign to End Homelessness website at www.thecampaigntoendhomelessness.org. Information will be updated on a weekly basis. Please refer to the FAQ before submitting your question.

Guidelines for Submission:

- The Addendum must be no more than 15 pages typed (excluding attachments), using 1” margins with a font size of 12.
- The original along with one copy of the signed application and all supporting documents must be **received on or before January 14, 2008 by 5:00 p.m.**
- In addition, each community **must** email the completed application package to MSHDASupportiveHousing@michigan.gov.

Application packages must be submitted as follow:

- One General Community Application and required attachments (Local inventory chart and IST chart). The regional endorsement can be mailed separately, but must arrive at MSHDA no later than January 25, 2008.
- Project Addendum for the initiative with required attachments (Memorandum of Understanding, Timeline, and Development Budget)

Faxed or incomplete application packages will not be accepted for processing. All application materials must be received as a package (including the General Community Application and all Addendums for which the community is applying). **Any materials not received as a package will not be processed.**